

Regional Cooperation as a Pre-requisite for Development and Modernization of South Asia

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In today's competitive world, on single nation can hope to gain economic prosperity and social cohesion by living in isolation. Regional cooperation endeavours have become popular throughout the world realizing the importance of joint action with immediate neighbours. ASEAN and EU are successful models of regional integration and with easy connectivity these two regions have become win-win models of economic cooperation for all the member states. It is not enough just to say that volume of trade is low in South Asia compared to EU, or ASEAN. Low level of trade is a natural outcome of poor border infrastructure and connectivity, red-tapism, corruption and visa woes. Besides, all of us produce the same type of goods in South Asia. India has to take the lead to make SAARC a success because it has the most to gain in addition to the fact that a time has come to take all the smaller nations in its tryst with economic development.

All eight South Asian countries are developing economies with a large number of people living under the poverty line. Nearly 40 percent of the world's poor earning less than a dollar a day live in the region.¹ From Afghanistan to Bangladesh and from Nepal to the Maldives, almost all countries face energy shortage, lack of safe drinking water and basic health care, violence against women and children, food insecurity and negative impacts of climate change. Percentage of poverty rate is so high in all countries that it is 44 percent in Bangladesh, 36 percent in Afghanistan, 31 percent in Nepal, 27 Percent in India, 23 percent in Bhutan, 22 Percent in Pakistan and 15 Percent in Sri Lanka. On the other hand the region's population continues to rise at a phenomenally high rate. It ranges between 0.74 percent per annum in Sri Lanka to 2.35 percent per annum in the Maldives. But the region remains the least urbanized region in the world. Only 29 percent of our population lives in cities as compared to the lofty world average of 49 percent. Even sub-Saharan Africa which fares much lower to south Asia in other indicators, supersedes South Asia in urbanization by a huge margin of nearly 7 percent.²

The 18th SAARC summit was held in November 2014 in Kathmandu with the theme of "Deeper Integration for Peace and Prosperity". This year (2015) is also the 30th anniversary of the founding of SAARC. SAARC was born three decades ago with lots of hopes and aspirations of the people of South Asia. Despite of all its short-comings, it is the only organization in the region where all 8 countries are members. According to a former SAARC Secretary General Ahmed Saleem, "SAARC is the best thing to have happened to South Asia. If there was no SAARC, we would have to create one." Despite some of its achievements and periodic summits, we need to ask ourselves, "are we better off as a region than we were in 1985? At the same time, we have to take stock of the many failures and institutional deficiencies as has been outlined by the 18th summit itself. Moreover, the main theme of this conference is to sketch out what are the concrete steps for "deeper integration" and what are the measures to overcome hurdles towards this common objective? Deeper integration obviously has

¹ ANM munizuzzaman, "Human Security in South Asia", in Nishchal N. Pandey (ed.), Realizing the vision of a South Asian Union", CSAS-KAS, Kathmandu. P.55.

² SAARC Regional Poverty Profile (2007-08), Saarc Secretariat: Kathmandu. P.11

direct relations with better rail, road and air connectivity, trade and transit facilitation and full implementation of SAFTA not to mention easing of visa restrictions.

But there are certain positive aspects also. Even at a time of global economic meltdown, South Asian economies are fairing an average GDP growth of 6 percent. Today, more and more multinational companies are coming invest in the region. Our middle class itself is the second largest market in the world. With a vast potential of human, natural and cultural resources, the region is already becoming the fulcrum of the Rising Asia of the 21st Century. South Asia has one of the largest number of English speaking people, more and more Institutes of South Asian Studies are coming up in world renowned universities. It is urgent for SAARC which is the only organization with all eight countries of South Asia as members to tap into this buoyancy and start delivering concrete on its past promises rather than engage in flowery statements bereft of substance. Therefore, individual member states and especially our development partners have to realize that economic development, poverty reduction and modernization inside an individual country has to be seen from a regional angle. There is an imperative to do so. Countries that are land-locked like Afghanistan, Nepal and Bhutan are solely dependent on their transit providing countries for their imports and exports. Even Sri Lanka and The Maldives are dependent on trade and tourism from neighbouring countries like India and China. With easy connectivity trade facilitation measures, many of the development challenges of Bangladesh can be mitigated. And India as a whole gains only if its poor neighbors start catching up.

First priority is economic integration. According to eminent Nepali Industrialist Binod Kumar Chaudhary, "SAARC is the poorest example of any economic block anywhere in the world. It is made for leaders and bureaucrats, artists and academics but not for business persons." This is where we need to delve seriously because intra-regional trade in South Asia hovers around just 5 percent where as it is 70 percent in the EU, 32 percent in North America and 37 percent in ASEAN. Once the most open and freely journeyed region; its borders are today barriers to trade compounded by inadequate rail or road networks, cumbersome import and export procedures. Intra-regional investment and tourism is also low compared to other parts of the world. Except Nepal, Sri Lanka and The Maldives, the other member states are still very tight on their visa regimes. The region is more open to the outside world than to itself prompting great cynicism on the track record of the summits, nicknamed 'annual picnic of heads of states or governments'.³

SAARC was formed amidst hopes that like other successful regional groupings around the globe, it would also provide a platform for spectacular breakthroughs on issues such as trade facilitation, energy cooperation, freedom of movement, customs union, common currency ultimately leading to an economic union. It would provide impetus to bilateral ties amongst its members. There was anticipation, albeit a cautious one that the summits would be an avenue where bilateral contentious issues would be discussed and resolved during retreats of the heads of state and governments that has come to become an integral part of each summit. It is afterall, these very issues that are hindering the progress of the organization into becoming a dynamic economic body of substance.

Over the year, summits were held with pomp and ceremony and very soon the organization started focusing on too many areas of activity from biotechnology, meteorology to information and communication. Summits have provided closed door opportunities for bilateral meetings confined exclusively to the countries which require them but diplomats, notable analysts and strategic thinkers all agree that except for photo opportunities of famous handshakes, little tangible has come out. Soon enough, it was evidently clear that the organization was a 'tooth-less shark' without any political or a security role and its secretariat deliberately conceived weak and powerless, thereby becoming an extension wing of the foreign ministries of each of the member state. Its charter clearly stipulates that

³ Binod Chaudhary, "Realizing the Vision of a South Asian Union", Centre for South Asian Studies, (2014),

there should be annual summits of heads of states and Governments but it has only managed to have 17 summits in the last 29 years of existence. The foremost hindrance to the healthy growth of this regional grouping was (and continues to be) the strained India-Pakistan relations. India's relations with other smaller neighbours have also functioned like 'traffic-lights' directly impacting on the overall progress of the organization.

A stable South Asia is not possible without trust. With the modi government in power in India and immediate focus being given to the immediate neighbourhood, there is a greater sense of confidence in the region that India will own its obligation of "special responsibility" as the biggest state and largest economy to make SAARC project a success now that a Prime Minister is at help of affairs who sees the importance of taking all the smaller neighbors along. But speeches are pronouncements are not enough. India needs to invest more in its own bordering areas of U.P., North Bihar, North Bengal, Tripura and Assam so that the local population of Nepal, Bhutan, Bangladesh don't view India as a country of the fourth world. The infrastructure in these areas especially roads, railways, health services and education is deplorable compared to what one finds in emerging megacities of Gurgaon, Noida, Hyderabad, Bangalore, etc. Either we talk of rail, roads or energy cooperation; nothing is possible between other countries of the region without India's concurrence and active support. It is hoped that a "modified" neighborhood policy under PM Modi will re-energize the SAARC process. "SAARC as a region needs financial capital to meet its investment requirements. Of late, strong institutions and organizational structures are main drivers and enablers of economic growth, regional integration and collective prosperity. The South Asian countries need to build such institutions which examples of regional organizations such as the EU and ASEAN may be takes as a guide."⁴

Easy connectivity and visa availability, people contacts and youth exchange, academic affiliations between various SAARC universities, and the consciousness of 'South Asianness' will help in the development and modernization of the region as a whole. Issues such as climate change and poverty alleviation, money laundering and terrorism, trafficking of women and children and illicit smuggling of narcotics all demand a robust regional cooperation endeavor between the SAARC member states. One state alone cannot mitigate the problems of energy inadequacy, flood control, water shortage, etc. It is a tragedy that while countries like Nepal and Bhutan are abundant on hydro-resources, nearby states like Bangladesh, Pakistan and Northern India are facing shortage of power. Observer nations such as China, Japan, the EU and the U.S. have been actively engaged in the SAARC process not only because not only because they see the potentiality of this vast South Asian market but also they would like to assist with their own experiences of regional economic integration. For instance the Silk Route concept has received a lot of traction these days. "The idea of reviving the historic silk route is generating much diplomatic buzz in the sub-continent these days. The silk Road has become the metaphor for ambitious trans-boundary connectivity projects in the Eurasian landmass, from the pacific Ocean to the Baltic sea and from the Indian Ocean to remote corners of China and Russia."⁵

Challenges and Threats

While benefits of regional cooperation is evidently clear, South Asian countries face multiples challenges in their quest for peace and development. These problems inside their internal politics have impacted regional cooperation as a whole. One of the serious challenges at the moment is youth radicalization.

States like Nepal, Bangladesh, Pakistan Sri Lanka, even the Maldives face dynamic and complex radicalization challenges. Youth radicalization has attracted the attention of policy makers and

⁴ "Future of Economic Cooperation in SAARC Countries", (2014), IPRI: Islamabad. P.35.

⁵ C. Raja Mohan, "Connecting the Sub-continent: South Asia and the New Silk Roads", in Nischhal N. Pandey and Mahesh Bhatta (eds.) Nepal's foreign Policy and SAARC. (2014). Kathmandu: p.26.

concerns in the public domain as well the domains of territorial sovereignty, as it poses a fundamental security threat and even worse, a threat of spilling across nearby border. A dynamic process that varies from person to person but adheres commonalities, inherits fear. Fear that goes beyond the engagement of young men and women in extremism ensuring violence. The volatile situation might result because of multiple reasons as poor education, regional disparity, unemployment, identity crisis, youth exclusion, violence, unequal access to resources, social stratification and political instability accompanied by the thirst for power, solely or combined are responsible for youth radicalization in Nepal. Youth comprise a substantial proportion of the total population, unfortunately lack of effective measure to engage youth in mainstream of peace process and national development in mounting the crisis. What have been exhibited from the ongoing trend of youth mobilization is, young men and women are lured and recruited in radicalized groups that carries extremist political agendas which tends to be violent. The magnitude of threat is heightened by the concern of those combatants who are more vulnerable to radicalization process. As a result Nepal is facing imminent threat from radicalization as it has an aggravating impact on the peace process and development.

The threat emanates from both Hindu nationalist groups as well Islamic groups. Nepal has been declared 'secular' through the interim constitution but the meaning of secularism has been wrongly interpreted by some of these groups as 'anti-religion'. In a religious society like ours, the state should have been alert enough to teach the values of secularism in schools, colleges ever since the enactment of the interim statute. Unfortunately, the opening of embassies of some Gulf countries and their open policy to support the construction of Madrasas, and mosques have only compounded the problem.

There is a dire need to immediately look into the issue of youth radicalism in the region at the earliest. Otherwise, transnational networks like the ISIS could have a footprint in the South Asian region as well.

Therefore, the young people of South Asia and especially of India have to realize that no country can rise to become a global power without taking the immediate neighbors along in its trust of economic development. Merely talking about it is not enough. There is a need to walk the walk. The youth of the rest SAARC countries look upto India as a leader as India is a stable democracy, a rising economic and political power but its own peripheral states are in abject poverty. There is also a need to take all the smaller countries of the region along in its journey of development.